

Child Care Financial Assistance Program (CCFAP)

Current Status SFY 20 Investments Redesign Plan

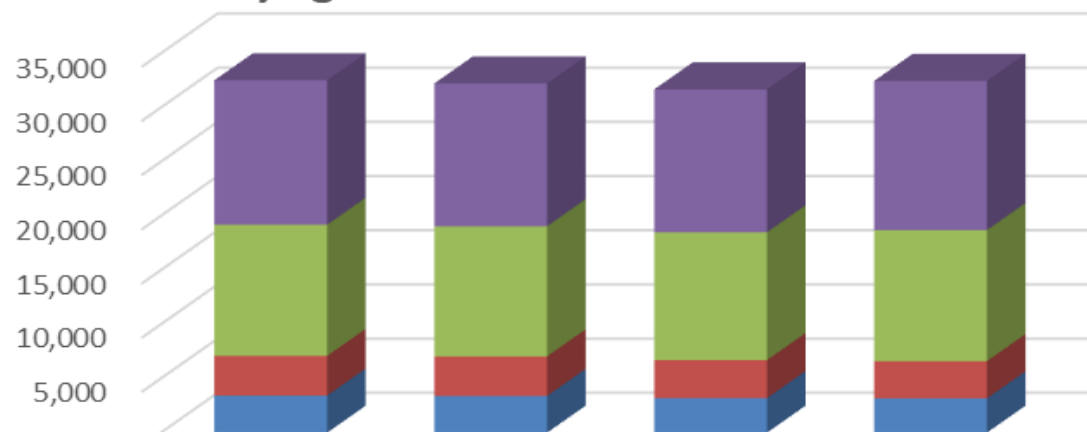


Vermont Agency of Human Services

 **VERMONT**
DEPARTMENT FOR CHILDREN AND FAMILIES
CHILD DEVELOPMENT DIVISION

Access to child care and early learning: capacity decline has slowed

Reported Child Care Capacity,
by age of children

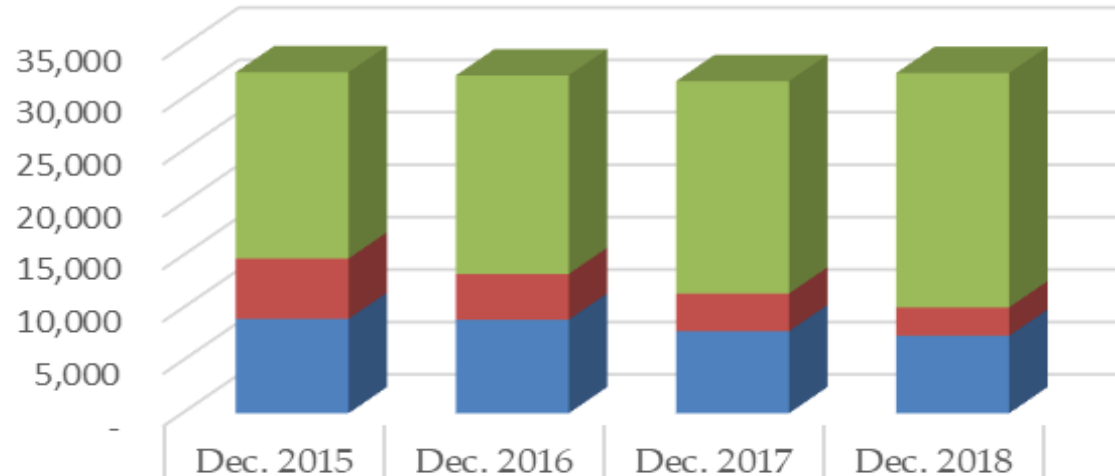


	Dec. 2015	Dec. 2016	Dec. 2017	Dec. 2018
■ Desired School Age Capacity	13,330	13,177	13,183	13,767
■ Desired Preschool Capacity	12,105	12,009	11,796	12,094
■ Desired Toddler Capacity	3,655	3,650	3,504	3,434
■ Desired Infant Capacity	3,431	3,391	3,196	3,167

Impacting children's development

quality continues to increase

Reported child
care capacity by
STAR level



	Dec. 2015	Dec. 2016	Dec. 2017	Dec. 2018
■ Desired Capacity of Programs at 3, 4, 5 star level	17,762	18,939	20,260	22,358
■ Desired Capacity of Programs at 1 or 2 star level	5,747	4,352	3,586	2,708
■ Desired Capacity of Programs not participating in STARS	9,012	8,936	7,833	7,396

Vermont STARS is improving! : https://dcf.vermont.gov/childcare/providers/stars/evolution#Phase_1

Helping families with affordability

Improving access to affordable, high quality early care and afterschool programs

CC FAP 2 generation impacts:

- **Strengthen families:** Helping eligible families pay for child care supports participation in the workforce, increased education and training, and financial stability.
- **Optimal child development:** Access to high quality early care and learning and afterschool programs advances children's healthy development and success in learning and life.

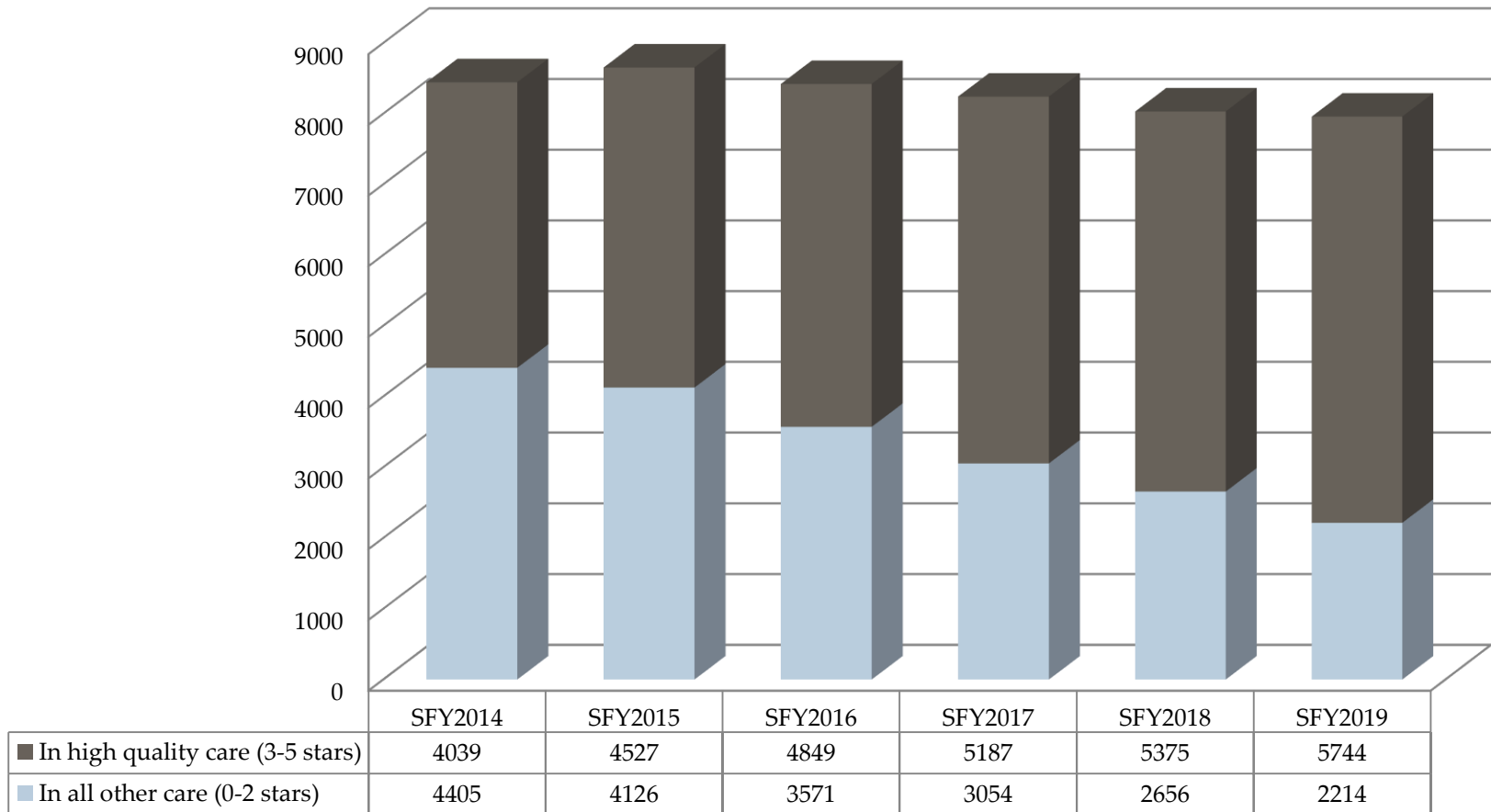
Who is getting help?

- Children and families with categorical eligibility
- Children from 6 weeks – 13 years (19 with disabilities)
- Families with income at or below 300% FPL
- Parents with a service need

SFY 19 Statewide Average by Service Need	
Type of Need for Child Care	Number of Families
Both Employment and Training/Education	59
Education	57
Employment	3354
Family Support	323
Protective Services	1331
Reach Up	1148
Seeking Employment	122
Self-Employment	277
Special Health Needs - Adult	276
Special Health Needs - Child	216
Training	13
Grand Total	7176

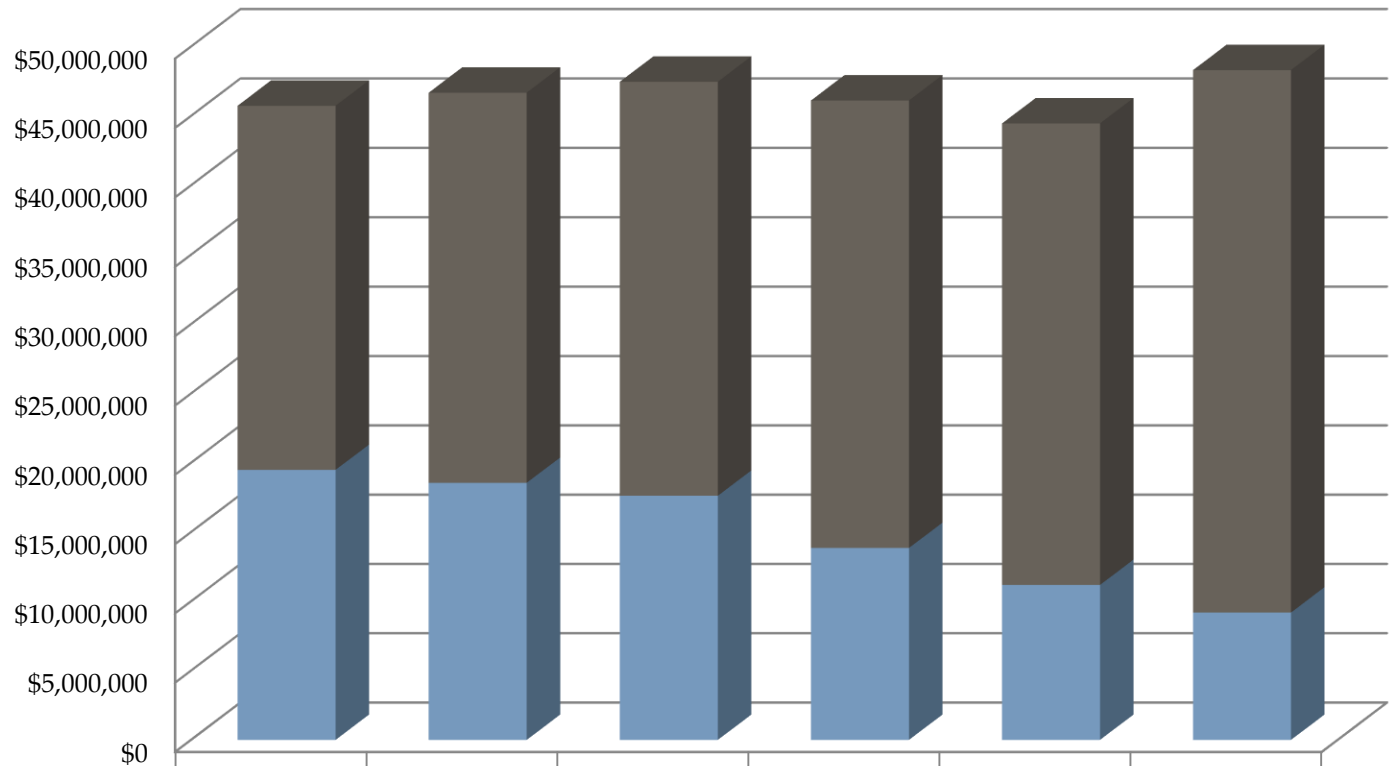
Increasing quality, declining participation

Child Care Financial Assistance, Average Number of Children



CC FAP Expenditures

Child Care Financial Assistance, dollars spent



■ On high quality care (3-5 stars)	\$26,241,239	\$28,117,773	\$29,839,105	\$32,256,276	\$33,273,025	\$39,107,544
■ On all other care (0-2 stars)	\$19,489,031	\$18,553,952	\$17,619,445	\$13,853,363	\$11,184,244	\$9,192,455

New investments in SFY20

Approximately \$5.8 million of additional funding was appropriated for the Child Care Financial Assistance Program (CCFAP) to:

- Adjust the income guidelines to align with the 2019 Federal Poverty Levels (FPL)
- Change income guidelines to provide a more gradual decrease in benefits to families as they earn more income.
- Align the preschool and school age Child Care Financial Assistance (CCFAP) rates with the 2014 Vermont Market Rate Survey
- Maintain the rates of reimbursement for infants and toddlers aligned with the 2017 Vermont Market Rate Survey.

Effective July 21, 2019: <https://dcf.vermont.gov/cdd-blog/changes-child-care-financial-assistance-program>

A bold plan for CCFAP Redesign

- **Set a flat co-payment amount for a family, based on family size and income – what can a family afford to pay?**
- **Family co-payment assessed at the youngest child first – no change for more than one child.**
- **Stop using a benefit level based on a percent of the state rate.**
- **Pay the provider's reported rate based on age of child and schedule after the co-payment is assessed, up to a capped rate.**
- **Maintain a tiered rate system based on Vermont STARS assessed quality and current MRS**

Proposed Income Guidelines SFY2022

Family Size	Monthly Countable Income									
	150 FPL%	175% FPL	200% FPL	225% FPL	250% FPL	275% FPL	300% FPL	325% FPL	350% FPL	
3	\$ 2,598	\$ 3,030	\$ 3,463	\$ 3,896	\$ 4,329	\$ 4,762	\$ 5,195	\$ 5,628	\$ 6,061	
4	\$ 3,138	\$ 3,660	\$ 4,183	\$ 4,706	\$ 5,229	\$ 5,752	\$ 6,275	\$ 6,798	\$ 7,321	
5	\$ 3,678	\$ 4,290	\$ 4,903	\$ 5,516	\$ 6,129	\$ 6,742	\$ 7,355	\$ 7,968	\$ 8,581	
6	\$ 4,218	\$ 4,920	\$ 5,623	\$ 6,326	\$ 7,029	\$ 7,732	\$ 8,435	\$ 9,138	\$ 9,841	
Co-payment	\$ -	\$ 25	\$ 50	\$ 75	\$ 100	\$ 125	\$ 150	\$ 175	\$ 200	



CC FAP Rate Caps SFY2022

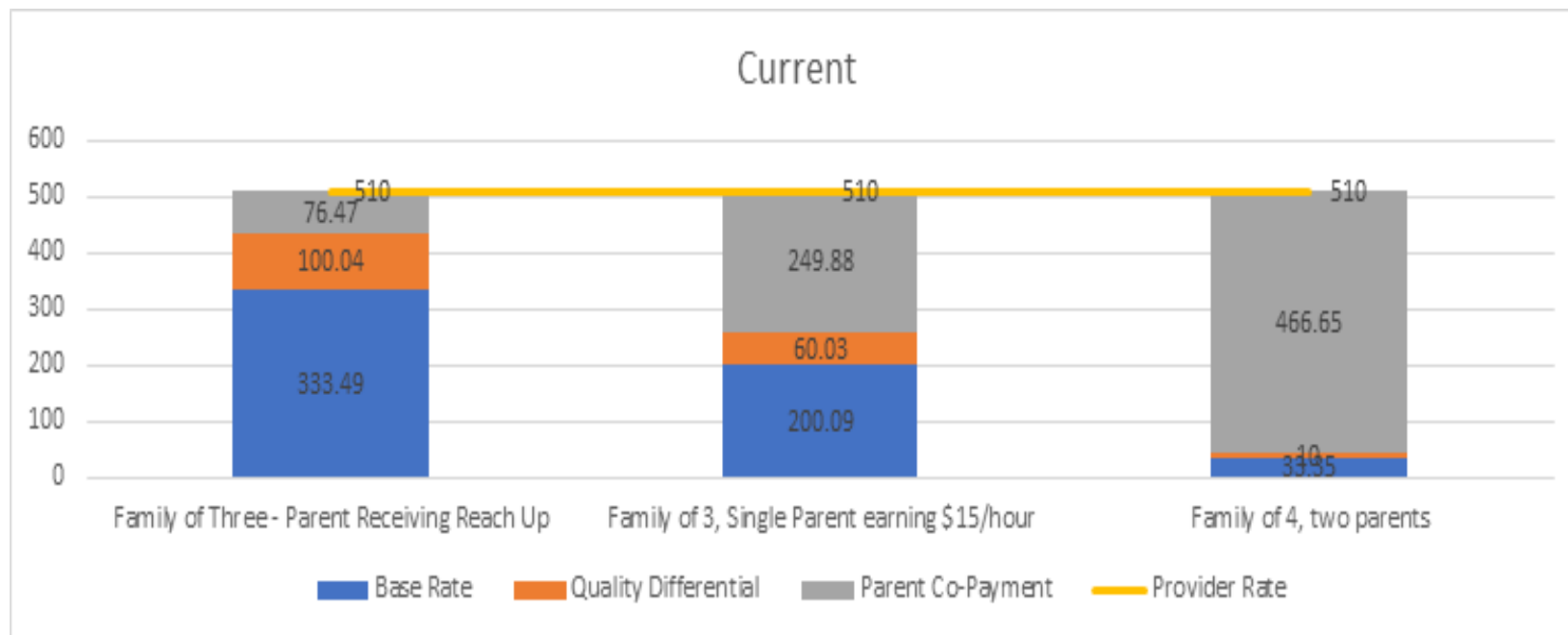
(aligned with 2017 MRS)



Proposed	50th Percentile	55th Percentile	60th Percentile	70th Percentile	80th Percentile	90th Percentile
Licensed Center	Base Rate	1 STAR	2 STARS	3 STARS	4 STARS	5 STARS
Infant	\$ 230.00	\$ 235.30	\$ 243.00	\$ 255.00	\$ 269.40	\$ 283.50
Toddler	\$ 225.00	\$ 230.70	\$ 236.65	\$ 246.56	\$ 260.00	\$ 280.00
Preschool	\$ 210.00	\$ 215.00	\$ 221.53	\$ 238.10	\$ 253.80	\$ 300.00
School age	\$ 175.00	\$ 180.00	\$ 190.00	\$ 200.00	\$ 212.50	\$ 247.58

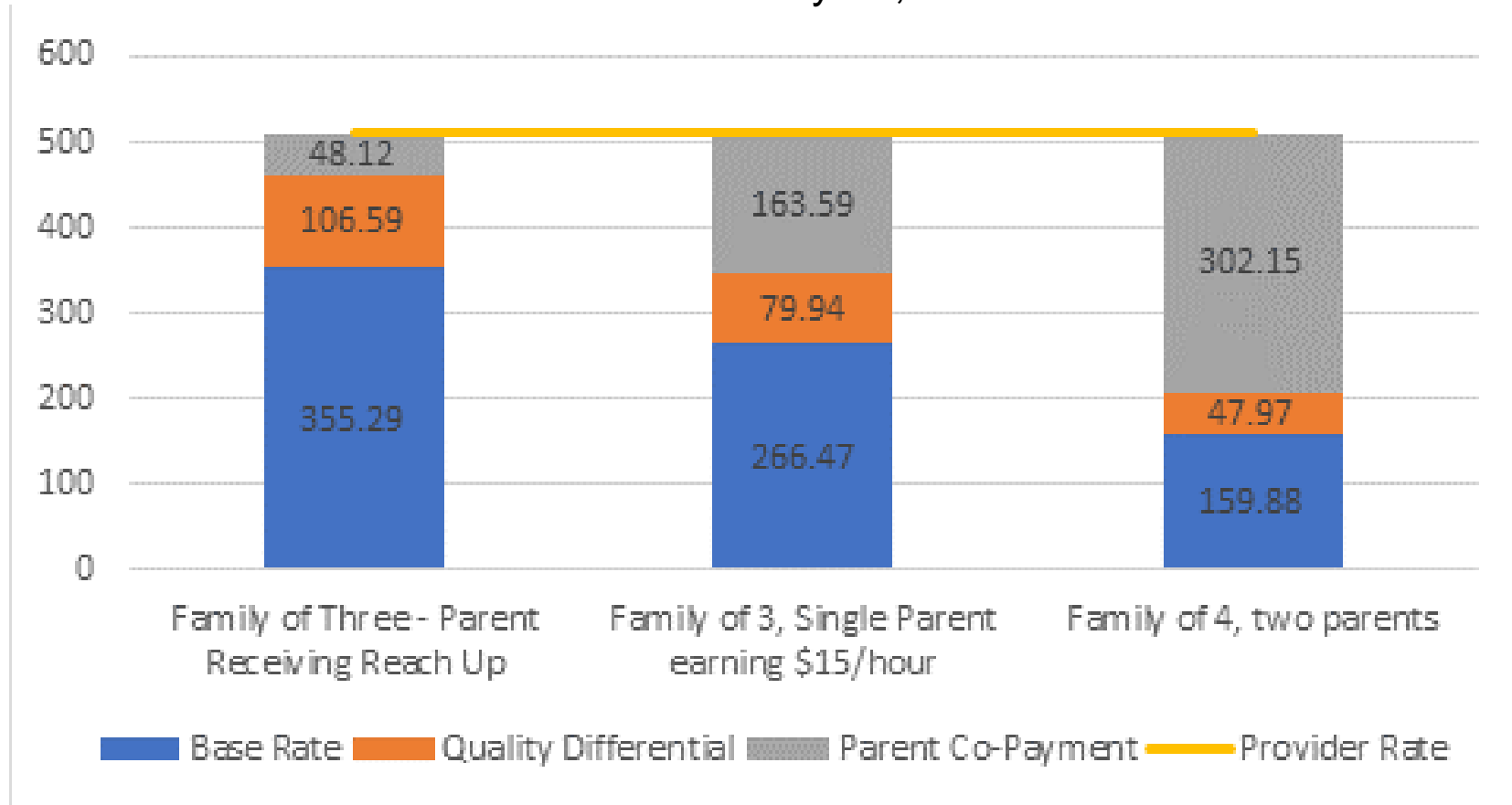
Registered	Base Rate	1 STAR	2 STARS	3 STARS	4 STARS	5 STARS
Infant	\$ 160.00	\$ 162.50	\$ 170.00	\$ 175.00	\$ 191.00	\$ 200.00
Toddler	\$ 145.00	\$ 150.00	\$ 155.00	\$ 173.50	\$ 180.00	\$ 200.00
Preschool	\$ 145.00	\$ 150.00	\$ 155.00	\$ 170.00	\$ 179.00	\$ 200.00
School age	\$ 140.00	\$ 150.00	\$ 155.00	\$ 165.00	\$ 175.00	\$ 200.00

Why It Matters: 3 Families Last Year



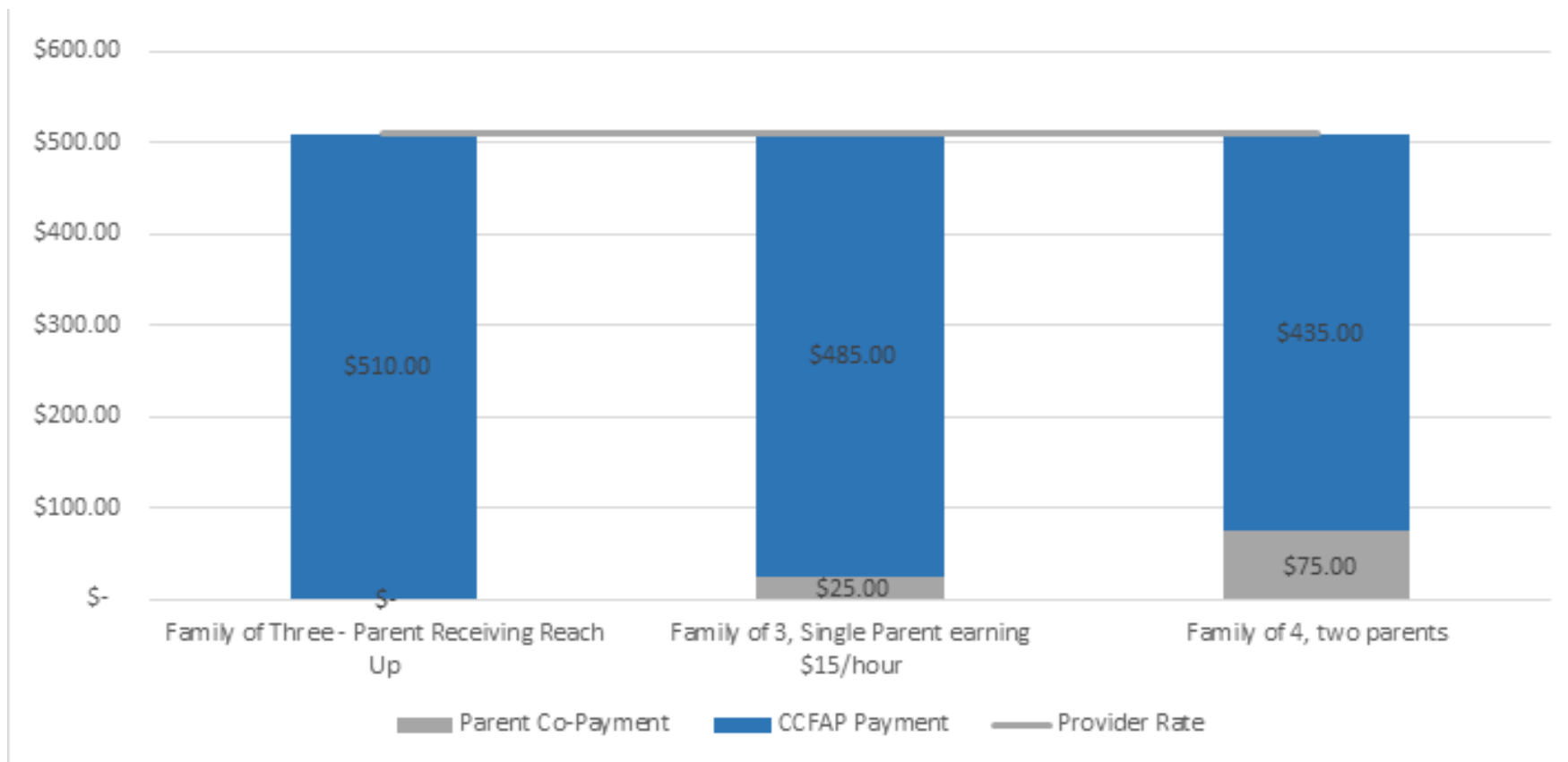
Why It Matters: 3 Families This Year

SFY20 Effective July 21, 2019



Why It Matters: 3 Families After Redesign

Proposed effective October 1, 2021



Proposed Plan: Time and Money

	CC FAP Investments		Base Increase	Projected CCFAP Budget
Y1: SFY20	Increase PS & SA rates to 2014 MRS Adjust Sliding fee scale to reduce co-payments		\$5,764,000	\$55,564,000
Y2: SFY21	Maintain SFY20 changes		\$5,764,000	\$55,564,000
Y3: SFY22	Q1: \$1,741,000 Q2-4: \$7,300,000		\$9,791,000	\$59,491,000
Proposed implementation of CCFAP Redesign: September 30, 2021				
Y4: SFY23	Additional families access CCFAP		\$12,250,000	\$61,950,000
Y5:SFY24	Additional families access CCFAP		\$16,250,000	\$65,950,000